DIC IS CREATING ITS FUTURE

OUR ROAD TOWARDS FUTURE GROWTH AND VALUE

ACQUISITION OF GEG GERMAN ESTATE GROUP

05.06.2019
### TRANSACTION SUMMARY

**01 Transaction rationale**
- Acquisition of GEG German Estate Group, a leading manager of Landmark assets in the Top 7 metropolitan areas in Germany
- Strong track record in sourcing institutional products and investors
- Unique combination of managing institutional business and refurbishment expertise
- Acquisition will strengthen the growing institutional business of DIC
- GEG has a complementary business model broadening the product spectrum and gaining access to large institutional investors

**02 Financial terms**
- Attractive purchase price of 225 EUR m, corresponding to EV/EBITDA 2018 multiple of 10.6x
- Significantly below comparable transactions Triuva / Patrizia (16.7x) and Beos / Swiss Life (19.5x)
- Immediately FFO and FFO per share accretive by 26% in 2019
- Synergies expected of 3.0-3.5 EUR m p.a.

**03 Expected timeline**
- Signing on 05th June 2019
- Closing is expected before 30th June 2019, transaction is not subject to cartel authority approval
- Target to be fully integrated until the end of 2019

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Notes:
1. Net Cash 31st December 2018A: 12.7 EUR m | EBITDA 2018A: 20.0 EUR m
2. Bankhaus Lampe Market Research Estimates
3. Source: Bloomberg EV, reported EBITDA 2018A
Commercial real estate investment manager established in 2015 with a strong track record in the German institutional real estate market
- EBITDA 20.0 EUR m (2018)
- AuM 3.2 EUR bn (2018)
- Strong pipeline for 2019 consisting of exclusive landmark deals

Strong cash generating asset light business model, no own portfolio except minor co-investments

Source: GEG annual report 2018, HGB (German GAAP)
**TRANSACTION RATIONALE**

**GEG: Two investment strategies for institutional clients**

<table>
<thead>
<tr>
<th>Buy and Upgrade</th>
<th>Buy and Hold</th>
</tr>
</thead>
<tbody>
<tr>
<td>such as:</td>
<td>such as:</td>
</tr>
<tr>
<td>Global Tower</td>
<td>Japan Center</td>
</tr>
<tr>
<td>Rental area in sqm</td>
<td>33,000</td>
</tr>
<tr>
<td>Usage</td>
<td>Office</td>
</tr>
<tr>
<td>Floors</td>
<td>30</td>
</tr>
<tr>
<td>Year of construction</td>
<td>1974</td>
</tr>
<tr>
<td>Construction</td>
<td>2017-2020</td>
</tr>
<tr>
<td>Rental area in sqm</td>
<td>29,000</td>
</tr>
<tr>
<td>Usage</td>
<td>Office</td>
</tr>
<tr>
<td>Floors</td>
<td>28</td>
</tr>
<tr>
<td>Year of construction</td>
<td>1996 / 2018</td>
</tr>
<tr>
<td>Occupancy rate</td>
<td>100%</td>
</tr>
</tbody>
</table>

■ Formerly occupied by the headquarters of Commerzbank, situated in the heart of Frankfurt’s banking district

■ Currently being refurbished and revitalized by GEG repositioned as “Global Tower”

■ Individual institutional business mandate

■ The Japan Center, located in the heart of Frankfurt’s banking district, is an impressive, high-profile building that lends a very special feel to the famous skyline

■ This iconic architectural structure is vested with a long-term lease with a financial institution

■ Individual institutional business mandate
Two complementary business models – perfect fit for our growing business

**TRANSACTION RATIONALE**

**DIC Funds**
- **Total AuM Volume:** 1.8 EUR bn
- **Total # of Assets:** 62
- **Investment Product:** Special-Funds
- **Asset Profile:** Core/Core+ commercial assets; size c. 15-50 EUR m
- **Investor Type:** German institutional investors

**GEG**
- **Total AuM Volume:** 3.2 EUR bn
- **Total # of Assets:** 19
- **Investment Product:** Special-Funds, Club Deals & individ. mandates
- **Asset Profile:** Core / Landmark / Development commercial properties; size c. 50-500 EUR m
- **Investor Type:** German institutional investors, HNWI, international investors

**Why GEG?**

- **Highly successful fund manager**
  - Strong acquisition track record
  - Ability to source large scale investments
  - Unique development competence
  - Additional 3.2 EUR bn AuM in institutional business
  - Access to large scale international investor base
  - New institutional products

- **Obvious target for DIC**
  - Complementary business model
  - Existing cooperation in property management and developments (e.g. WINX)
  - Similar culture

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All figures as of 31st Dec. 2018 – pro forma
TRANSACTION RATIONALE
Post transaction – two business lines for a lean operating model

DIC Asset AG post transaction

~ 1.8 EUR bn AuM

DIC Commercial Portfolio (Balance Sheet Investments)
- Rental income
- Sales profits

~ 5.2 EUR bn AuM

DIC Institutional Business (Managed Accounts)
- Management Fees
- Transaction Fees
- Development Fees
- Equity Returns

Property Management Platform

Property Development Platform

Segment “Other investments” dissolved after sale of TLG and JV investments
TRANSACTION RATIONALE
Post transaction – development of AuM volume as FFO driver

AuM and FFO growth
AuM in EUR bn / FFO in EUR m

- Until the end of 2019 DIC will manage an asset volume of c. 7.5 EUR bn
- FFO-generation from the two segments will be close to 55:45 (Commercial Portfolio: Institutional Business) post transaction
- Strategic target of maintaining a 50:50 FFO balance between institutional business and commercial portfolio
- Further growth in both segments commercial portfolio and institutional business is planned – mid term AuM goal 10 EUR bn
**TRANSACTION RATIONALE**

Post transaction – strong FFO accretion

<table>
<thead>
<tr>
<th>FFO pro forma</th>
<th>NAV pro forma</th>
<th>LTV pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>in EUR m</strong></td>
<td><strong>in EUR m</strong></td>
<td><strong>in %</strong></td>
</tr>
<tr>
<td>FFO FY 2018</td>
<td>NAV 31st March 2019</td>
<td>2016</td>
</tr>
<tr>
<td>68</td>
<td>1,105</td>
<td>59.9</td>
</tr>
<tr>
<td>FFO 2019 guidance</td>
<td>Effect TLG + div.</td>
<td>2017</td>
</tr>
<tr>
<td>70-72</td>
<td>7</td>
<td>57.0</td>
</tr>
<tr>
<td>expected GEG FFO</td>
<td>Effect GEG</td>
<td>2018</td>
</tr>
<tr>
<td>18</td>
<td>(12)</td>
<td>53.1</td>
</tr>
<tr>
<td>FFO 2019 guidance-new</td>
<td>NAV pro forma</td>
<td>Q1 2019</td>
</tr>
<tr>
<td>88-90</td>
<td>1,099</td>
<td>49.8</td>
</tr>
<tr>
<td><strong>Post transaction</strong></td>
<td><strong>Post transaction</strong></td>
<td><strong>Post transaction</strong></td>
</tr>
</tbody>
</table>

- Expected FFO from GEG for the financial year 2019 will be at least 18 EUR m
- FFO per share up to 1.25 EUR (+26%) – highly accretive
- Further FFO potential from synergies up to 3.0 EUR m per year
- DIC dividend policy remains unchanged

- The transaction will have a minor dilutive effect on the NAV after sale of TLG and the scrip dividend (-0.17 EUR per share)
- FFO contribution from GEG will overcompensate NAV dilution by year end
- LtV to remain stable around 50%
TRANSACTION RATIONALE
Transaction benefits shareholders and delivers on DIC’s strategic goals

Financial impact for shareholder

- FFO / Share
  immediately strong accretion, further upward potential
- Dividends
  dividend policy remains unchanged
- NAV / share
  only minor dilutive effect

Delivery on strategy

- Growth in Institutional Business
  early achievement of the communicated target of 5.0 EUR bn
  improved access to institutional investors and broadening of product range
- Income diversification
  FFO-Ratio from our two segments close to 55:45 after transaction
- Simplifying our structure
  segment “Other investments” will be dissolved; two transparent segments from now on

Growth in Commercial Portfolio

- further acquisitions planned in the Commercial Portfolio
Guidance “old” | Revised guidance
---|---
Acquisition volume of c. 500 EUR m for all segments | up to c. 1.0 EUR bn
Sales of 200–230 EUR m from all segments | unchanged
Gross Rental income of 98–100 EUR m | unchanged
FFO of 70–72 EUR m | up to 88-90 EUR m
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Financial Calendar
01.08.19 Publication Half-Year Report 2019
09/19 Berenberg/Goldman Sachs German Corporate Conference, Munich
09/19 Baader Investment Conference, Munich
06.11.19 Publication Quarterly Statement Q3 2019
11/19 DZ Bank Equity Conference 2019, Frankfurt

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Transaction Structure & Timeline

**TRANSACTION RATIONALE**

**Deal signed on 05th June 2019**

**Closing**

After finalisation of pre-conditions the closing of the transaction will be effective until 30th June 2019

DIC will include GEG in its Half-Year Report 2019

GEG to be fully integrated until end of 2019

**Publication of transaction**

**Publication of Q2 report incl. GEG**

**Investor & Analyst call**

**Invitation for Investor Roadshow**

**01st August**

End of 2019

Successful integration

**5th June**

Signing
Publication of transaction

**5th June**

Investor & Analyst call
Invitation for Investor Roadshow

**before 30th June**

Closing
TRANSACTION RATIONALE
Complementary in institutional business, assets under management and EBITDA

**Side-by-side analysis key metrics**
As of 31st Dec. 2018 – pro forma

<table>
<thead>
<tr>
<th>Metric</th>
<th>Total</th>
<th>Growth in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets #</td>
<td>166</td>
<td></td>
</tr>
<tr>
<td>AuM in EUR bn</td>
<td>3.5</td>
<td>6.7</td>
</tr>
<tr>
<td></td>
<td>2.1</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>1.1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>185</td>
<td>18%</td>
</tr>
<tr>
<td></td>
<td>19</td>
<td>4%</td>
</tr>
<tr>
<td></td>
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</tbody>
</table>

Significant AuM growth in institutional business

<table>
<thead>
<tr>
<th>Metric</th>
<th>Total</th>
<th>Growth in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental Income</td>
<td>84.7</td>
<td>0%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>122.3</td>
<td>16%</td>
</tr>
<tr>
<td></td>
<td>20.0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>142.3</td>
<td></td>
</tr>
</tbody>
</table>

EBITDA reflects on substantial fee income

<table>
<thead>
<tr>
<th>Metric</th>
<th>Total</th>
<th>Growth in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offices #</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>17%</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees #</td>
<td>186</td>
<td>258</td>
</tr>
<tr>
<td></td>
<td>72</td>
<td>39%</td>
</tr>
</tbody>
</table>

Highly skilled employees in the field of institutional business and development
**TRANSACTION RATIONALE**
Landmark properties for institutional investors in top 7 German metropolitan areas

- **Dusseldorf, CABO:** Type: Manage-to-core (value)
- **Dusseldorf, Business Campus am Park:** Type: Club deal
- **Neuss, Police Training Center:** Type: Infrastructure fund
- **Cologne, Triforum:** Type: Club deal
- **Mainz, DB Cargo-Headquarter:** Type: Infrastructure
- **Frankfurt, Japan Center:** Type: Individual mandate
- **Frankfurt, WINX:** Type: Fee development (finished)
- **Munich, Junges Quartier Obersendling:** Type: Infrastructure fund
- **Munich, Sapporo-bogen:** Type: Club deal
- **Frankfurt, IBC Campus:** Type: Club deal
- **Frankfurt, Global Tower:** Type: Individual mandate (under refurbishment)
- **Frankfurt, RIVERPARK Tower & Suites:** Type: Individual mandate (under refurbishment)
- **Frankfurt, Villa Kennedy:** Type: Individual mandate
- **Frankfurt, Garden Tower:** Type: Individual mandate
- **Frankfurt, Schillerportal:** Type: Individual mandate
- **Munich, Pasing Central:** Type: Opportunistic
- **Frankfurt, Eurotheum:** Type: Individual mandate

**DIC-Office**
**Asset**
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